

# **EXHIBIT 38**

YELLAND - CROSS / DOOLEY

1 Q. And the U.S. restatement was also done under U.K. GAAP  
2 rules; correct?

3 A. Yes.

4 Q. Looking at Exhibit 2445, which is in evidence, which is  
5 the restatement --

6 THE COURT: It will be on the -- Mr. Yelland, it will  
7 be on the screen. You'll see it in a minute.

8 BY MR. DOOLEY:

9 Q. Ernst & Young began working on the restatement in  
10 approximately November of 2012; correct?

11 A. They really -- they started doing their planning, yes, but  
12 they really started work in January.

13 Q. Okay. And the restatement was filed in January 2014?

14 A. Yes.

15 Q. So Ernst & Young spent 14 months working on it, more than  
16 a year working on the restatement?

17 A. More than a year, yes, I would say.

18 Q. Do you know how much Ernst & Young was paid for that work?

19 A. I can't recall. I think it is in the financial  
20 statements.

21 Q. Is it more than £1 million?

22 A. I can't recall the value. It probably -- it probably was  
23 more than £1 million. It will say in the financial statements.

24 Q. Okay. And after all of that work, Ernst & Young  
25 concluded -- and I'm looking at page 12 of Exhibit 245, the

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1 disclaimer of opinion -- that (reading) :

2                 "Because of the significance of matters described in  
3 the basis for disclaimer of opinion, we have not been able  
4 to obtain sufficient appropriate audit evidence to provide  
5 a basis for an audit opinion."

6 That was their disclaimer of opinion; correct,

7 Mr. Yelland?

8 **A.** Yes.

9 **Q.** And Ernst & Young stated (reading) :

10                 "We do not express an opinion on the financial  
11 statements."

12 Correct?

13 **A.** Yes. And as I testified earlier, they gave reasons for  
14 that above.

15 **Q.** The restatement, Exhibit 2445, also adjusted -- or  
16 adjusted ASL's revenue for reasons that had nothing to do with  
17 any of the things that you've testified about here today -- the  
18 revenue acceleration, hardware sales, and so forth -- correct?

19 **A.** Could you clarify the question? I think I understand what  
20 you're asking, but I'm not 100 percent sure.

21 **Q.** Oh, sure. So to be specific, there were certain  
22 accounting policy changes that were applied retroactively in  
23 the restatement that had an effect on revenue; correct?

24 **A.** Yes.

25 **Q.** For example, retroactive application to a change in